

Kentucky Agricultural Development Board

Meeting Minutes

February 15, 2002

The Kentucky Agricultural Development Board met on Friday, February 15, 2002, at 10:00AM in the Brown Forman Room of the Kentucky History Center in Frankfort. Commissioner Billy Ray Smith, Vice Chairman, called the meeting to order, and the secretary called the roll.

Members Present:

Commissioner Billy Ray Smith, Vice Chairman; John-Mark Hack, Executive Director; Vickie Yates Brown; Larry Clay; Susan Harkins; Wayne Hunt; Sam Lawson; Dean Oran Little designee for Dean Scott Smith; Willa Poynter; and Smith Mitchell designee for Secretary Gene Strong.

Members Absent:

Governor Paul E. Patton; Daniel Case; Seth Conner; Sam Moore; Eddie Sellers; and Mike Slaughter.

Others Present:

Sharon Burton, The Farmers Pride; Hal Stopfel, Creative Alliance P.R.; Laura Murrell, Burns Larkins Farm; Bobby Watts and Michelle McAfee, Watts Farm; Mandy Chipwell, UK College of Agriculture; Angela Ceparelli, Kentucky Department of Agriculture; and Victoria Burke, Community Farm Alliance.

Staff Present: David Bratcher, Penny Cline, Gordon Duke, Sandra Gardner, DeVon Hankins, Jeff Harper, Rhodes Johnston, Kara Keeton; Bill McCloskey, Chauncey Morris; Jeff Mosley, Joel Neaveill, Lisa Thomas, Kim Tompkins, Angela Utterback; and Stephen Yates.

Minutes of the January 17 & 18, 2002 Meeting:

The minutes were approved as presented.

Executive Director's Report:

John-Mark Hack, Executive Director, presented his report.

Mr. Hack advised that Governor Patton and Dean Smith were absent in order to attend the inauguration of President Lee Todd. Mr. Hack welcomed Dean Oran Little and recognized him Dean Smith's designee for the meeting.

The director reviewed the day's agenda.

Kentucky Opportunity Market Place Report:

Mr. Hack updated the board members on the outcome of the Kentucky Opportunity Market Place (KOM.) He advised that the two-day session was very successful, 186 county council members and agricultural extension agents attended the county council informational session on day one and 175 individuals attended the educational tracts on the second day. In addition there were 41 exhibitors. Because the KOM was such a tremendous success, staff is working on holding three regional informational/educational sessions in the east, central and western parts of the state. These regional sessions will focus more intently on the opportunities available to producers in the various regions of the state.

Farmer Participation and Consumer Awareness Outreach Campaign:

He advised that a “Technical Assistance Workshop” was scheduled for 9:00a.m., February 7 at the KSU Cooperative Extension Service building. The Governor’s Office of Agricultural Policy (GOAP) and the Kentucky Center Agricultural Development & Entrepreneurship (KCADE), in partnership with Kentucky State University will host this workshop at the request of the “Kentucky Women in Agriculture” group. This workshop will assist attendees in the areas of business plan development and application completion.

The Soil Conservation District will host 9 area meetings across the state. GOAP staff assigned to those areas will attend the meetings to address any issues & answer questions.

Next, John-Mark Hack advised that a standard PowerPoint presentation is available to members. This presentation summarizes board actions and can be a valuable tool to members when they have a speaking engagement. Members should contact the GOAP to request a copy.

April Meeting of the ADB:

The director and Dean Scott Smith are coordinating efforts for the April meeting. The meeting will be held in Jackson, Kentucky. Staff members will arrive on Tuesday for a staff retreat. Board members will arrive on Thursday for lunch and tours. Overnight accommodations will be at Robinson Forest. The regularly scheduled meeting on April 19th will be held at the Quicksand Experiment Station.

Legislative Update:

Mr. Hack advised that he had testified before the House Appropriations and Revenue Committee and the Budget Review Subcommittee in regard to the Agricultural Development Fund. He further stated that most legislators seemed concerned that counties most tobacco dependent are not receiving sufficient funding. Mr. Hack pointed out that 26 of 28 of the top 50 most impacted counties have received 92% of the awarded funds, and 21 of those 28 counties are in the top 25 most impacted counties.

Senator Vernie McGaha filed Senate Bill 201. This bill, if passed, would remove the Agricultural Development Board from any oversight of the County Agricultural Development Councils.

There was discussion on this issue.

Commissioner Smith stated that he had scheduled an appointment with Senator McGaha, which was to have taken place at 9:00a.m.; however, the senator was called into session and the meeting was postponed.

Susan Harkins stated that it is important to know what prompted Senator McGaha to propose this legislation.

Sharon Burton, Editor of *The Farmer's Pride*, and member of the Adair County Agricultural Development Council asked to speak to the board. Ms. Burton stated that Senator McGaha's (who is also from Adair county) legislation was a surprise to her council. She further advised that the Adair County Agricultural Development Council did not support this legislation.

John-Mark Hack pointed out to the ADB that this legislation would require 35% of all administrative fees be sent to the counties. While everyone supports an increase in the amount of administrative support for county councils this legislation, if passed, would severely impact the GOAP's ability to administer the current programs approved by the ADB and essentially prohibit the development of new programs. Mr. Hack also stated that as a courtesy most legislators communicate with the impacted agency before legislation is drafted and Senator McGaha did not contact Governor Patton or the GOAP.

Several of the members agreed that based upon conversations with members of the county councils, the councils would not welcome the responsibility and liability that this legislation would impose upon them.

Mr. Hunt stated that a list of denied county project proposal requests be compiled & submitted to the counties and legislators.

Other Issues:

The Unified Plan Group and the Board of Agriculture adopted letters of support and/or resolutions supporting the current structure and funding level of the ADB. These documents were sent to legislators.

Mr. Hunt stated that he was pleased that the ADB had shifted from the funding of production to a more proactive funding of economic development programs for farmers.

Long-Term Plan:

Mr. Hack stated that "The Plan" will go to print within the next week and a press event will be scheduled no later than the middle of March, to unveil the plan. Governor Patton, Commissioner Smith, board members and others will participate in the event.

Mr. Hack advised that he expected appointments to the Kentucky Agricultural Finance Corporation (KAFC) would be made in the next 30 – 60 days. Once the appointments are completed, the KAFC would be active and operational.

Gordon Duke advised that at the county council session of the KOM – several counties advised that the current application process should be analyzed to look for ways to improve the process. A task force is being created consisting of members of the Area Development Districts, Agriculture Extension Agents, and others. This task force is scheduled to meet on March 7 & 8, in Frankfort. Mr. Duke advised that members of course are welcome to attend.

Referral of Projects:

Sam Lawson moved with a second from Vicki Yates Brown that projects numbered 20028 – 20130 be referred to Project Review Committees.

<i>Appl #</i>	<i>Project Name</i>
20028	Shelby County Cattleman's Association
20035	Goodin View Farms Inc
20036	Cumberland County Farm Bureau
20037	Morgan Co. Goat Improvement Assoc.
20038	Clinton-Cumberland Cattlemen's Assoc.
20039	Community Ventures Corporation
20040	Ronald Shrout
20044	Community Ventures Corporation
20045	Limestone Economic Development
20049	Kentucky Sheep and Wool Producers
20050	The Elements Enterprises LLC
20051	Taylor County Fiscal Court
20054	Henry Co. Extension Service
20056	Mcreary Co. Ag. Development Board
20057	Eastern Ky Goat Producers Inc.
20060	Elliott Co. Ag. Advancement Council-Diversification
20061	Farm To Table Partners
20062	Farm To Table Partners
20063	Farm To Table Partners
20064	Farm To Table Partners
20065	Farm To Table Partners
20068	Breathitt County Conservation District
20069	Eastern Ky Goat Producers, Inc.
20073	Franklin County Conservation District
20074	Clinton County Ag. Advancement Council
20075	Career Education Class
20076	German Fair Board of Bracken-Mason-Robertson, Inc.
20077	Clinton County Ag Advancement Council
20078	Henry Co. Conservation District
20079	Henry Co. 4-H Extension Council
20080	Henry Co. 4-H Dairy Club
20081	Roberts Farms LLC
20083	Henry Co. Ag. Diversification Assoc.
20088	Magoffin Co. Cattle Assoc.
20089	Magoffin Co. Cattle Assoc.
20090	Magoffin Co. Goat Assoc.
20093	Franklin Co. Conservation District
20095	Oldham County High School Ag-FFA
20096	Henry Co. Boer Goat Assoc.
20097	Henry Co. Extension Council
20098	Duplicate
20099	Eastern Kentucky Goat Producers
20100	Menifee Co. Conservation District
20101	Available Number
20102	Robert D Ison
20103	All Creatures Veterinary Care
20104	All Creatures Veterinary Care
20105	Carter Co. Ag. Advancement Council
20106	Western Ky Goat Producers Assoc.
20107	Carter Co. Ag. Advancement Council
20109	Kenneth Brammell
20110	Ky Poultry Growers Co-Op

20111	Shelby Co. Ag. Diversification Program
20112	Jeffersontown Farmers Market
20113	Larue Co. Beef Cattle Association
20114	Central KY Meat Goat Producers Inc
20116	Cumberland Co. Farm Bureau
20117	Allen Co. Farm Bureau
20118	Buffalo Trace Area Development District
20120	Lewis Co. Conservation District
20121	Dept. Of Fish & Wildlife Resources
20122	Dept. Of Fish & Wildlife Resources
20123	Dept. Of Fish & Wildlife Resources
20126	Rowan Co. Extension Council
20127	Greenup Co. Farm Bureau
20128	Trimble County Cattlemen's Association, Inc.
20129	The Family Farm Project Co-Op Association

The motion passed by voice vote.

Project Review Committees' Reports:

Sam Lawson & Vickie Yates Brown presented the Committees' reports. The Review Committees met on February 8, and made the following recommendations:

Approved Programs:

Mr. Lawson stated that the Committees' recommended funding for the following Programs:

Cattle Handling

County	Board Mtg Date	Appl #	Project Name	CountyFunds
Barren	2/15/2002	20021	Barren County Cattleman's Association	\$8,160.00
Casey	2/15/2002	881	Casey County Cattlemen's Association, Inc	\$75,000.00
Clinton	2/15/2002	20055	Clinton Co. Ag. Advancement Council	\$48,000.00
Elliott	2/15/2002	20059	Elliott Co. Ag. Advancement Council-Handling	\$40,000.00
Franklin	2/15/2002	20071	Franklin County Cattleman's Assoc.	\$81,000.00
Harrison	2/15/2002	893	Harrison County Beef Cattle Association	\$3,500.00
Laurel	2/15/2002	20009	Laurel County Cattle Association	\$100,000.00
McCracken	2/15/2002	20029	Jackson Purchase Foundation Inc.	\$6,870.10
Meade	2/15/2002	20046	Meade Co. Cattlemen's Association - Amendment	\$35,000.00

Metcalfe	2/15/2002	20026	Metcalfe County Cattleman's Association	\$105,000.00
Montgomery	2/15/2002	20125	Montgomery County Cattlemen's Association	\$100,000.00
Sum				\$602,530.10

Diversification

County	Board Mtg Date	Appl #	Project Name	CountyFunds
Bracken	2/15/2002	20053	Bracken Co. Ag. Advancement Council, Inc.	\$105,000.00
Edmonson	2/15/2002	866	Edmonson County Chamber of Commerce	\$56,000.00
Jackson	2/15/2002	20052	Appalachian Alternative Ag. In Jackson Co.	\$200,000.00
Jessamine	2/15/2002	20020	Jessamine County Sheep & Goat Producers	\$16,500.00
Nelson	2/15/2002	20042	Nelson Co. Horticulture Advisory Board	\$50,000.00
Sum				\$427,500.00

Forage

County	Board Mtg Date	Appl #	Project Name	CountyFunds
Bath	2/15/2002	20010	Bath County Conservation District	\$30,548.00
Cumberland	2/15/2002	20006	Cumberland County Soil Conservation District	\$100,000.00
Elliot	2/15/2002	20058	Elliott Co. Ag. Advancement Council-Forage	\$200,000.00
Fayette	2/15/2002	20001	Fayette County Conservation District	\$150,000.00
Franklin	2/15/2002	20070	Franklin County Conservation District-Forage	\$105,000.00
Grayson	2/15/2002	890	Grayson County Conservation District	\$50,000.00
Greenup	2/15/2002	20027	Greenup County Conservation District	\$5,750.00
LaRue	2/15/2002	20043	LaRue Co. Conservation District	\$130,000.00

Laurel	2/15/2002	20008	Laurel County Cattle Association	\$100,000.00
Lincoln	2/15/2002	20067	Lincoln County Farm Bureau	\$100,000.00
Magoffin	2/15/2002	870	Magoffin County Soil Conservation	\$140,000.00
McCracken	2/15/2002	20030	Jackson Purchase Foundation Inc.	\$6,870.10
Nelson	2/15/2002	20032	Nelson County Conservation District	\$150,000.00
Russell	2/15/2002	20048	Russell Co. Conservation District	\$100,000.00
Washington	2/15/2002	889	Washington County Forage Committee	\$150,000.00
Sum				\$1,518,168.10

Genetic Improvement

County	Board Mtg Date	Appl #	Project Name	CountyFunds
Campbell	2/15/2002	20130	Campbell County Cattle Association	\$5,768.00
Franklin	2/15/2002	20072	Franklin County Cattleman's Association-Genetics	\$65,000.00
Johnson	2/15/2002	20007	Highlands Beef Cattle Association	\$25,000.00
Laurel	2/15/2002	894	Laurel County Cattleman's Association	\$100,000.00
McCracken	2/15/2002	20031	Jackson Purchase Foundation	\$15,000.00
Meade	2/15/2002	20047	Meade Co. Cattlemen's Association - Amendment	\$35,000.00
Sum				\$245,768.00

Goat Diversification

County	Board Mtg Date	Appl #	Project Name	CountyFunds
Anderson	2/15/2002	20094	Ft. Harrod Goat Association	\$22,500.00
Larue	2/15/2002	823	Larue County Goat Producers Association	\$42,500.00
Pulaski	2/15/2002	20025	Pulaski County Goat Dev. And Markieting Program	\$35,000.00

Sum			\$100,000.00
Grand Total			\$2,893,966.20

Mr. Lawson moved with a second from Willa Poynter that the board adopt the committees' recommendations. The motion passed by voice vote.

Projects Recommended for Funding:

387 Lawrence County Farmers Market Association

State Funds:	\$0.00	County Funds:	\$3,730.00
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Ms. Brown moved with a second from Wayne Hunt that the board adopt the committee's recommendation. The motion passed without objection.

399 Marion County Fair Board

State Funds:	\$0.00	County Funds:	\$125,000.00
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Ms. Brown moved with a second from Susan Harkins that the board adopt the committee's recommendation. The motion passed by voice vote.

469 Smith-Berry Vineyard and Winery, Inc.

State Funds:	\$48,700.00	County Funds:	\$25,000.00
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Mr. Lawson stated that this project is a good example of all staff and the Entrepreneurship group working together, assisting project applicants to bring the project to funding status.

Ms. Brown moved with a second from Susan Harkins that the board adopt the committee's recommendation. The motion passed by voice vote.

573 Kentucky State University Land Grant Program

State Funds:	\$292,750.00	County Funds:	\$0.00
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Ms. Brown moved with a second from Sam Lawson that the board adopt the committee's recommendation. The motion passed without objection.

730 The Grape Industry Advisory Committee

State Funds:	\$0.00	County Funds:	\$0.00
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Ms. Brown moved with a second from Smith Mitchell that the board adopt the committee's recommendation. The motion passed without objection.

872 Breckinridge County Soil Conservation District

State Funds:	\$0.00	County Funds:	\$163,800.00
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Ms. Brown pointed out that this is a liming project and that participants could not participate in this program and the forage program.

Ms. Brown moved with a second from Willa Poynter that the board adopt the committee's recommendation. The motion passed without objection.

875 Jessamine County Homemakers

State Funds:	\$0.00	County Funds:	\$2,500.00
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Ms. Brown moved with a second from Willa Poynter that the board adopt the committee's recommendation. The motion passed without objection.

888 KY Farm Business Anaysis

State Funds:	\$0.00	County Funds:	\$5,500.00
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Ms. Brown moved with a second from Willa Poynter that the board adopt the committee's recommendation. The motion passed without objection.

891 Southern Ky Aquaculture Co-Op

State Funds:	\$0.00	County Funds:	\$3,000.00
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Ms. Brown moved with a second from Smith Mitchell that the board adopt the committee's recommendation. The motion passed without objection.

322 Kentucky State Beekeepers Association

State Funds:	\$100,103.00	County Funds:	\$0.00
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Mr. Lawson moved with a second from Susan Harkins that the board adopt the committee's recommendation. The motion passed without objection.

390 Nicholas County Fiscal Court

State Funds:	\$0.00	County Funds:	\$312,000.00
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Mr. Lawson moved with a second from Wayne Hunt that the board adopt the committee's recommendation. The motion passed without objection.

547 Shelby County Farm Bureau

State Funds:	\$0.00	County Funds:	\$230,000.00
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Mr. Lawson stated that this project was discussed in detail at project review and that staff and the county had worked diligently to restructure the project.

Ms. Brown questioned the oversight of the program. Joel Neaveill advised that there is an extensive evaluation criterion and that onsite visits will be made. Ms. Brown stated that the Shelby County Farm Bureau should be responsible for the onsite review and compile a report to the ADB. Jeff Mosley advised that Shelby County Farm Bureau would contract with the program participants.

Ms. Brown moved with a second from Wayne Hunt that the Term Sheet and signed agreement reflect that KFB will: a) sign a contract with program participants, b) is responsible for oversight of the program and c) will compile a report and submit to the ADB. The amendment passed by voice vote.

Mr. Lawson moved with a second from Wayne Hunt that the board adopt the committee's recommendation as amended. The motion passed without objection.

584 Watts Farm

State Funds: \$259,910.00

County Funds: \$0.00

Mr. Lawson moved with a second from Larry Clay that the board adopt the committee's recommendation. The motion passed without objection.

834 East & West Carter Vocational Agriculture

State Funds: \$0.00

County Funds: \$25,000.00

Mr. Lawson moved with a second from Larry Clay that the board adopt the committee's recommendation. The motion passed without objection.

20014 Faron Smith

State Funds: \$0.00

County Funds: \$8,600.00

Mr. Lawson moved with a second from Larry Clay that the board adopt the committee's recommendation. The motion passed without objection.

20017 Anderson Co Farmers Market

State Funds: \$0.00

County Funds: \$55,000.00

Mr. Lawson stated that applicants had requested \$20,000 in state funds and \$55,000 in county funds. He advised that the committee recommended funding for county funds only.

Mr. Lawson moved with a second from Larry Clay that the board adopt the committee's recommendation. The motion passed by voice vote.

Amended Projects:

Mr. Lawson advised that the committee recommended approval for requested changes for all projects except #3.

App #	432
Applicant Name	Bourbon County Fiscal Court
Amount Approved	\$250,000
Date	08/17/2001
Requested Change	Amend the approved amount down to \$100,000 to make funds available for other programs.
Recommendation	Approval

App #	590
Applicant Name	Bourbon County Fiscal Court
Amount Approved	\$350,000
Date	09/21/2001
Requested Change	Amend the approved amount down to \$100,000 to make funds available for other programs.
Recommendation	Approval

App #	627
Applicant Name	Allen County Farm Bureau
Amount Approved	\$80,000
Date	11/30/2001
Requested Change	Amend the original amount to include an additional \$60,000 for a total Cattle Handling Program of \$140,000
Recommendation	Approval

App #	567
Applicant Name	Campbell County Cattlemen's Association
Amount Approved	\$5768.00
Date	10/19/2001
Requested Change	Add \$10,709.00 to previously approved amount for a total Cattle Handling amount of \$16,477.00 Correcting a clerical error.
Recommendation	Approval

App #	181
Applicant Name	Garrard County Conservation District
Amount Approved	\$12,500.00
Date	06/15/2001
Requested Change	Add \$812.75 for Administrative Costs
Recommendation	Approval

App #	186
Applicant Name	Garrard County Conservation District
Amount Approved	\$20,000
Date	10/19/2001
Requested Change	Add \$812.75 for Administrative Costs
Recommendation	Approval

App #	87
Applicant Name	Purchase Area Aquaculture
Amount Approved	\$381,000 State Funds and \$100,000 Graves County Funds
Date	04/20/2001 & 11/30/2001
Requested Change	Revised Budget, no additional funds.
Recommendation	Approval

App #	3
Applicant Name	Kentucky Horticulture Council
Amount Approved	\$2,493,270.00
Date	9/21/2001
Requested Change	Additional \$19,000 in Administrative Expenses
Recommendation	Deny Request

Mr. Lawson moved with a second from Smith Mitchell that the board adopt the committees'

recommendation. The motion passed without objection.

Projects Recommended for No Funding:

Mr. Lawson advised that the committee recommended no funding for the following projects:

App #	Project Name	Application County
2	Ky Milk Producers Association	State
146	Creech Services, Inc.	State
265	Mason County Horticulture Growers	Mason
320	Northeast Area Livestock Association	Carter
404	Mountaineer Furniture Manufacturing Co.	State
806	Green County Ag Entrepreneurship Working Group	Green
873	Carol-Gamble Man	Menifee
874	Carol-Gamble Man: Duplicate of 873	Montgomery
877	Jessamine Co. Beef Cattle Association	Jessamine
882	FFA Program	Magoffin
883	Evan T. Davis	Montgomery
20015	Andy Rice	Bracken
20016	Quire Farms	Shelby
20066	Bracken Co. Ag. Advancement Council Inc. DUPLICATE	Bracken

Mr. Lawson moved with a second from Susan Harkins that the board adopt the committees' recommendations. The motion passed without objection.

Other Business:

Mr. Lawson advised that there were reports that some counties were not following the guidelines of the county model programs and asked that staff investigate.

Mr. Hack advised that program evaluations are currently in progress and that reports of misuse of funds had been reported and inquiries were currently being conducted.

Commissioner Smith suggested that should any county be found to be operating outside of any program guidelines that additional funds be withheld on all county programs until that county is found to be in compliance.

Ms. Brown advised that the news was reporting that the Farm Bill had passed with funding of the North East State Dairy Compact, but that the Southern Dairy Compact was not mentioned. Commissioner Smith advised that it was his understanding that both were included in the legislation but that he would investigate and if necessary take action to address the issue.

Mr. Lawson commended the staff on their "fabulous effort" on the KOM. Commissioner Smith complimented the quality and number of exhibits. Susan Harkins stated, "The food was phenomenal."

Agricultural Development Fund Balance Sheet:

Mr. Hack reviewed the Fund Balance Sheet.

With no additional business to conduct the meeting adjourned at 12:30PM.